SENATE BILL No. 172

Introduced by Senator Torlakson

February 9, 2005

An act to amend Section 188.5 of the Streets and Highways Code, relating to transportation.

LEGISLATIVE COUNSEL'S DIGEST

SB 172, as introduced, Torlakson. Seismic retrofit projects.

Existing law provides for the seismic retrofit of state-owned toll bridges. Under existing law, the Department of Transportation is required to report quarterly to the Legislature and the California Transportation Commission for each seismic retrofit project.

This bill would require that these reports be submitted within 45 days after the end of each quarter and include a summary of the budget status for support and capital outlay construction costs. The bill would also require the department to take specified actions to manage the risks associated with the seismic retrofit projects.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

SECTION 1. Section 188.5 of the Streets and Highways Code is amended to read:

188.5. (a) The Legislature finds and declares all of the following:

(1) The department has determined that in order to provide maximum safety for the traveling public and to ensure continuous and unimpeded operation of the state's transportation network, six state-owned toll bridges are in need of a seismic

safety retrofit, and one state-owned toll bridge is in need of a partial retrofit and a partial replacement.

(2) The bridges identified by the department as needing seismic retrofit are the Benicia-Martinez Bridge, the Carquinez Bridge, the Richmond-San Rafael Bridge, the San Mateo-Hayward Bridge, the San Pedro-Terminal Island Bridge (also known as the Vincent Thomas Bridge), the San Diego-Coronado Bridge, and the west span of the San Francisco-Oakland Bay Bridge. The department has also identified the east span of the San Francisco-Oakland Bay Bridge as needing to be replaced. That replacement span will be safer, stronger, longer lasting, and more cost efficient to maintain than completing a seismic retrofit for the current east span.

(3) The south span of the Carquinez Bridge is to be replaced pursuant to Regional Measure 1, as described in ~~subdivision (b) of~~ Section 30917.

(4) The cost estimate to retrofit the state-owned toll bridges and to replace the east span of the San Francisco-Oakland Bay Bridge is four billion six hundred thirty-seven million dollars ($4,637,000,000), as follows:

(A) The Benicia-Martinez Bridge retrofit is one hundred ninety million dollars ($190,000,000).

(B) The north span of the Carquinez Bridge retrofit is one hundred twenty-five million dollars ($125,000,000).

(C) The Richmond-San Rafael Bridge retrofit is six hundred sixty-five million dollars ($665,000,000).

(D) The San Mateo-Hayward Bridge retrofit is one hundred ninety million dollars ($190,000,000).

(E) The San Pedro-Terminal Island Bridge retrofit is sixty-two million dollars ($62,000,000).

(F) The San Diego-Coronado Bridge retrofit is one hundred five million dollars ($105,000,000).

(G) The west span of the San Francisco-Oakland Bay Bridge retrofit, as a lifeline bridge, is seven hundred million dollars ($700,000,000).

(H) Replacement of the east span of the San Francisco-Oakland Bay Bridge is two billion six hundred million dollars ($2,600,000,000).

(b) It is the intent of the Legislature that the following amounts from the following funds shall be allocated until

expended, for the seismic retrofit or replacement of state-owned toll bridges:

(1) Six hundred fifty million dollars ($650,000,000) from the 1996 Seismic Retrofit Account in the Seismic Retrofit Bond Fund of 1996 for the seven state-owned toll bridges identified by the department as requiring seismic safety retrofit or replacement.

(2) One hundred forty million dollars ($140,000,000) in surplus revenues generated under the Seismic Retrofit Bond Act of 1996 that are in excess of the amount actually necessary to complete Phase Two of the state's seismic retrofit program. These excess funds shall be reallocated to assist in financing seismic retrofit of the state-owned toll bridges.

(3) Fifteen million dollars ($15,000,000) from the Vincent Thomas Toll Bridge Revenue Account.

(4) The funds necessary to meet both of the following:

(A) A principal obligation of two billion two hundred eighty-two million dollars ($2,282,000,000) from the seismic retrofit surcharge, including any interest therefrom, imposed pursuant to Section 31010, subject to the limitation set forth in subdivision (c) and subdivision (b) of Section 31010.

(B) All costs of financing, including capitalized interest, reserves, costs of issuance, costs of credit enhancements and any other financial products necessary or desirable in connection therewith, and any other costs related to financing.

(5) Thirty-three million dollars ($33,000,000) from the San Diego-Coronado Toll Bridge Revenue Fund.

(6) Not less than seven hundred forty-five million dollars ($745,000,000) from the State Highway Account to be used toward the eight hundred seventy-five million dollars ($875,000,000) state contribution, to be achieved as follows:

(A) (i) Two hundred million dollars ($200,000,000) to be appropriated for the state-local transportation partnership program described in paragraph (7) of subdivision (d) of Section 164*, prior to its repeal by Chapter 622 of the Statutes of 1997,* for the 1998–99 fiscal year.

(ii) The remaining funds intended for that program and any program savings to be made available for toll bridge seismic retrofit.

(B) A reduction of not more than seventy-five million dollars ($75,000,000) in the funding level specified in paragraph (4) of subdivision (d) of Section 164*, prior to its repeal by Chapter 622 of the Statutes of 1997,* for traffic system management.

(C) Three hundred million dollars ($300,000,000) in accumulated savings by the department achieved from better efficiency and lower costs.

(7) Not more than one hundred thirty million dollars ($130,000,000) from the Transit Capital Improvement Program funded by the Public Transportation Account in the State Transportation Fund to be used toward the eight hundred seventy-five million dollars ($875,000,000) state contribution. If the contribution in subparagraph (A) of paragraph (6) exceeds three hundred seventy million dollars ($370,000,000), it is the intent that the amount from the Transit Capital Improvement Program shall be reduced by an amount that is equal to that excess.

(8) (A) The funds necessary to meet principal obligations of not less than six hundred forty-two million dollars ($642,000,000) from the state's share of the federal Highway Bridge Replacement and Rehabilitation (HBRR) Program.

(B) If the project costs exceed four billion six hundred thirty-seven million dollars ($4,637,000,000), the department may program not more than four hundred forty-eight million dollars ($448,000,000) in project savings or other available resources from the Interregional Transportation Improvement Program, the State Highway Operation and Protection Program, or federal bridge funds for that purpose.

(C) None of the funds identified in subparagraph (B) may be expended for any purpose other than the conditions and design features described in paragraph (9).

(9) The estimated cost of replacing the San Francisco-Oakland Bay Bridge listed in subparagraph (H) of paragraph (4) of subdivision (a) is based on the following conditions:

(A) The new bridge shall be located north adjacent to the existing bridge and shall be the Replacement Alternative N-6 (preferred) Suspension Structure Variation, as specified in the Final Environmental Impact Statement, dated May 1, 2001, submitted by the department to the Federal Highway Administration.

(B) The main span of the bridge shall be in the form of a single tower cable suspension design and shall be the Replacement Alternative N-6 (preferred) Suspension Structure Variation, as specified in the Final Environmental Impact Statement, dated May 1, 2001, submitted by the department to the Federal Highway Administration.

(C) The roadway in each direction shall consist of five lanes, each lane will be 12 feet wide, and there shall be 10-foot shoulders as an emergency lane for public safety purposes on each side of the main-traveled way.

(c) If the actual cost of retrofit or replacement, or both retrofit and replacement, of toll bridges is less than the cost estimate of four billion six hundred thirty-seven million dollars ($4,637,000,000), there shall be a reduction in the amount provided in paragraph (4) of subdivision (b) equal to the proportion of total funds committed to complete the projects funded from funds generated from paragraph (4) of subdivision (b) as compared to the total funds from paragraphs (6), (7), and (8) of subdivision (b), and there shall be a proportional reduction in the amount specified in paragraph (8) of subdivision (b).

(d) If the department determines that the actual costs exceed the amounts identified in subparagraph (B) of paragraph (8) of subdivision (b), the department shall report to the Legislature within 90 days from the date of that determination as to the difference and the reason for the increase in costs.

(e) Notwithstanding any other provision of law, the commission shall adopt fund estimates consistent with subdivision (b) and provide flexibility so that state funds can be made available to match federal funds made available to regional transportation planning agencies.

(f) For the purposes of this section, "principal obligations" are the amount of funds generated, either in cash, obligation authority, or the proceeds of a bond or other indebtedness.

(g) *To ensure that the department manages the risks associated with the toll bridge seismic retrofit projects, the department shall, at minimum, take all of the following actions:*

(1) Establish a comprehensive risk management plan that clearly defines roles and responsibilities for risk management and addresses the process by which it will identify and quantify

project risks, implement and track risk response activities, and monitor and control risks throughout the duration of the project.

(2) Quantify the effect of identified risks in financial terms.

(3) Develop and maintain documents to track identified risks and related mitigation steps.

(4) Regularly update its estimates of capital and support costs.

(5) Regularly reassess its reserves for potential claims and unknown risks, incorporating information related to risks identified and quantified through its risk assessment processes.

(6) Regularly integrate estimates for capital, support costs, and contingency reserves into a programwide report.

(7) Submit quarterly status reports to the Legislature.

(8) Ensure that reports to the Federal Highway Administration and others reflect current data and provide an accurate representation of the project's status.

(9) When key events occur, quickly inform the Legislature and others describing the effects of these key events on the project's overall budget and schedule.

(h) (1) Commencing January 1, 2004, and quarterly thereafter until completion of all applicable projects, the department shall provide quarterly seismic reports *within 45 days of the end of each quarter* to the transportation committees of both houses of the Legislature and to the commission for each of the toll bridge seismic retrofit projects in subdivision (a).

(2) The report shall include details of each toll bridge seismic retrofit project and all information necessary to clearly describe the status of the project, including, but not limited to, all of the following:

(A) A progress report.

(B) The baseline budget for support and capital outlay construction costs that the department assumed at the time that Chapter 907 of the Statutes of 2001 was enacted.

(C) The current or projected budget for support and capital outlay construction costs.

(D) Expenditures to date for support and capital outlay construction costs.

(E) A comparison of the current or projected schedule and the baseline schedule that was assumed at the time that Chapter 907 of the Statutes of 2001 was enacted.

(F) A summary of milestones achieved during the quarterly period and any issues identified and actions taken to address those issues.

~~(h)~~

(3) The report described in paragraph (1) shall also include a programwide summary of the program's budget status for support and capital outlay construction costs.

(i) (1) Commencing on January 1, 2004, and quarterly thereafter until completion of all applicable projects, the department shall provide quarterly seismic reports to the transportation committees of both houses of the Legislature and to the commission for other seismic retrofit programs.

(2) The reports shall include all of the following:

(A) A progress report for each program.

(B) The program baseline budget for support and capital outlay construction costs.

(C) The current or projected program budget for support and capital outlay construction costs.

(D) Expenditures to date for support and capital outlay construction costs.

(E) A comparison of the current or projected schedule and the baseline schedule.

(F) A summary of milestones achieved during the quarterly period and any issues identified and actions taken to address those issues.

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